

# 2011 Annual Meeting of Stockholders

May 11, 2011



## Forward Looking Statement

This slide presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors.

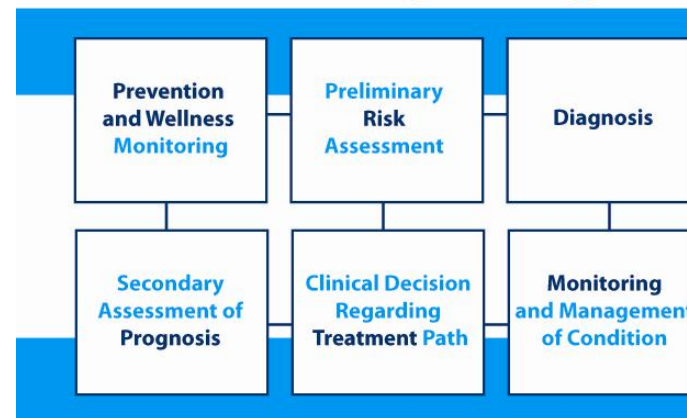
Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 2010, and subsequent SEC filings.



## Leading National Lab Provider

- Fastest growing national lab
- \$55 Billion market
- Clinical, Anatomic and Genomic Testing
- Serving clients in all 50 states and Canada
- Leading clinical trials testing business

### Laboratory Testing



### Health Care Continuum

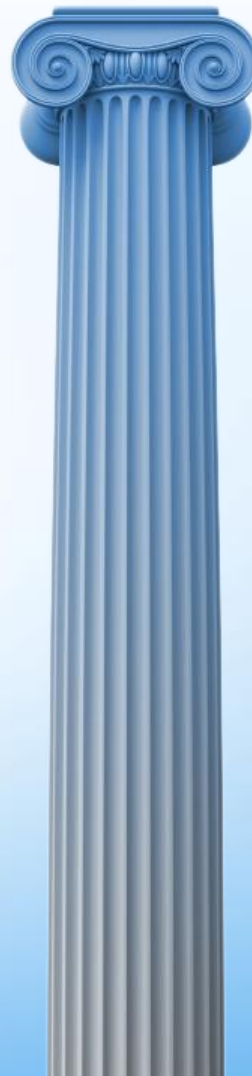
We Will Offer The Highest Quality  
Laboratory Testing and Most  
Compelling Value to Our  
Customers

We Will Execute This Mission  
Through Our **Five Pillar Strategy**



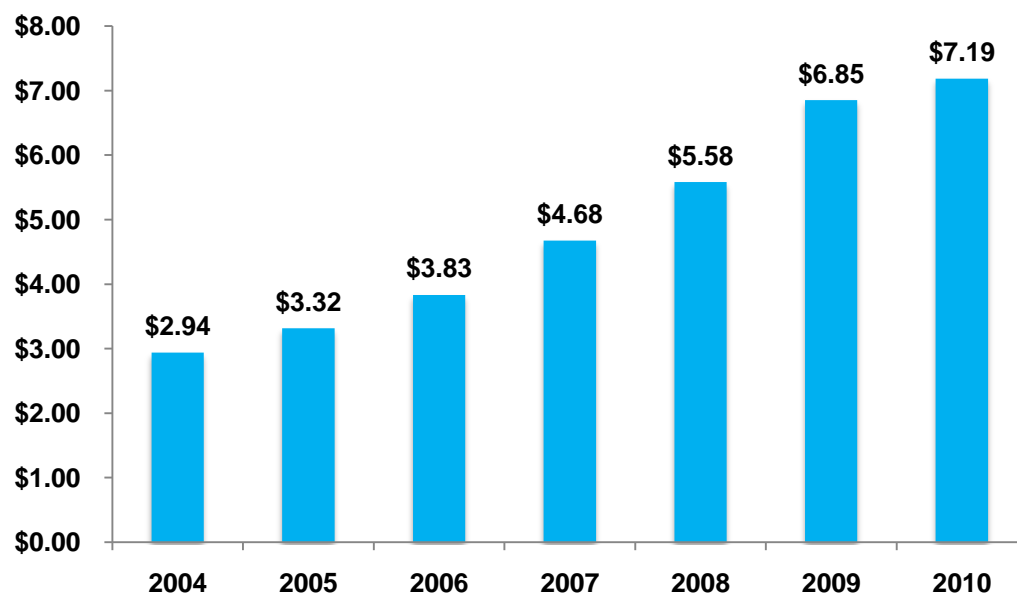


**Deploy Cash to Enhance  
Footprint and Test Menu  
and to Buy Shares**



## Free Cash Flow Per Share

- 6-year FCF Per Share CAGR of 16.1%
- FCF Yield ranged from approximately 8% to 10% in 2010



Note: Free Cash Flow Per Share and Free Cash Flow Yield are non-GAAP metrics  
FCF Yield range noted above was calculated using trailing twelve month Free Cash Flow, weighted average diluted share counts and closing stock prices during 2010

## Key Uses of Cash

- **Acquisitions**
  - Genzyme Genetics<sup>SM\*</sup>
  - Westcliff (LabWest, Inc)
  - DCL
- **Share Repurchase**
  - \$337.4 million in 2010
  - \$265.0 million in Q1 of 2011



genzyme  
Genetics



**LabWest** INC  
A LabCorp Company



**DCL**  
Medical Laboratories  
A LabCorp Company

\*GENZYME GENETICS<sup>SM</sup> and its logo are trademarks of Genzyme Corporation and used by Esoterix Genetic Laboratories, LLC, a wholly-owned subsidiary of LabCorp, under license. Esoterix Genetic Laboratories and LabCorp are operated independently from Genzyme Corporation.

## Acquisition Rationale

- Creates the premier genetics and oncology business in the industry
- Builds on our strategy of leadership in personalized medicine
- Generates revenue opportunities
  - Selling LabCorp's test menu to Genzyme Genetics accounts
  - Selling Genzyme Genetics' test menu to LabCorp accounts
  - Genzyme Genetics customer access to LabCorp's convenient PSC network
  - Expanded use of genetic counselors
- Creates cost synergies
  - Logistics
  - Specimen collection
  - G&A
  - Facility overlap



**Enhance IT Capabilities  
To Improve Physician  
and Patient Experience**



**Continue to Improve  
Efficiency to Offer the  
Most Compelling Value  
in Laboratory Services**



**Scientific Innovation  
At Appropriate  
Pricing**



## Alternative Delivery Models



# Fourth Quarter and Full Year 2010 Results

	Three Months Ended Dec 31,			Twelve Months Ended Dec 31,		
	2010	2009	+/(-)	2010	2009	+/(-)
Revenue	\$1,295.40	\$1,165.10	11.2%	\$5,003.90	\$4,694.70	6.6%
Adjusted Operating Income <sup>(1)</sup>	\$252.40	\$221.90	13.7%	\$1,016.50	\$954.90	6.5%
Adjusted Operating Income Margin <sup>(1)</sup>	19.5%	19.0%	50 bp	20.3%	20.3%	- bp
Adjusted EPS <sup>(1)</sup>	\$1.34	\$1.16	15.5%	\$5.55	\$4.89	13.5%
Operating Cash Flow	\$259.20	\$224.70	15.4%	\$883.60	\$862.40	2.5%
Less: Capital Expenditures	<u>(\$32.80)</u>	<u>(\$37.60)</u>	<u>-12.8%</u>	<u>(\$126.10)</u>	<u>(\$114.70)</u>	<u>9.9%</u>
Free Cash Flow	\$226.40	\$187.10	21.0%	\$757.50	\$747.70	1.3%

(1) Non-GAAP measure

and...

4<sup>th</sup> Quarter 2010 Customer Satisfaction levels were the highest in LabCorp history.

Note: During both the first quarter of 2010 , inclement weather reduced Adjusted EPS by approximately eight cents.



	Three Months Ended Mar 31,		
	2011	2010	+ / (-)
<b>Revenue</b>	\$ 1,368.4	\$ 1,193.6	14.6%
<b>Adjusted Operating Income<sup>1</sup></b>	\$ 263.7	\$ 243.5	8.3%
<b>Adjusted Operating Income Margin<sup>1</sup></b>	19.3%	20.4%	-110bp
<b>Adjusted EPS Excluding Amortization<sup>1</sup></b>	\$ 1.52	\$ 1.40	8.6%
<b>Operating Cash Flow</b>	\$ 215.3	\$ 232.0	-7.2%
<b>Less: Capital Expenditures</b>	\$ (29.4)	\$ (24.5)	20.0%
<b>Free Cash Flow</b>	\$ 185.9	\$ 207.5	-10.4%

(1) Non-GAAP measure

Note: During both the first quarter of 2010 and the first quarter of 2011, inclement weather reduced Adjusted EPS Excluding Amortization by approximately eight cents.

**Laboratory Corporation of America  
Other Financial Information  
FY 2009, FY 2010 and Q1 2011  
(\$ in millions)**

	<u>Q1 09</u>	<u>Q2 09</u>	<u>Q3 09</u>	<u>Q4 09</u>	<u>Q1 10</u>	<u>Q2 10</u>	<u>Q3 10</u>	<u>Q4 10</u>	<u>Q1 11</u>
<b>Bad debt as a percentage of sales</b>	5.3%	5.3%	5.3%	5.3%	5.0%	4.8%	4.8%	4.7%	4.7%
<b>Days sales outstanding<sup>1</sup></b>	52	50	48	44	46	45	44	46	47
<b>A/R coverage (Allow. for Doubtful Accts. / A/R)<sup>2</sup></b>	19.5%	20.6%	21.9%	23.2%	21.7%	20.7%	20.4%	18.5%	19.4%

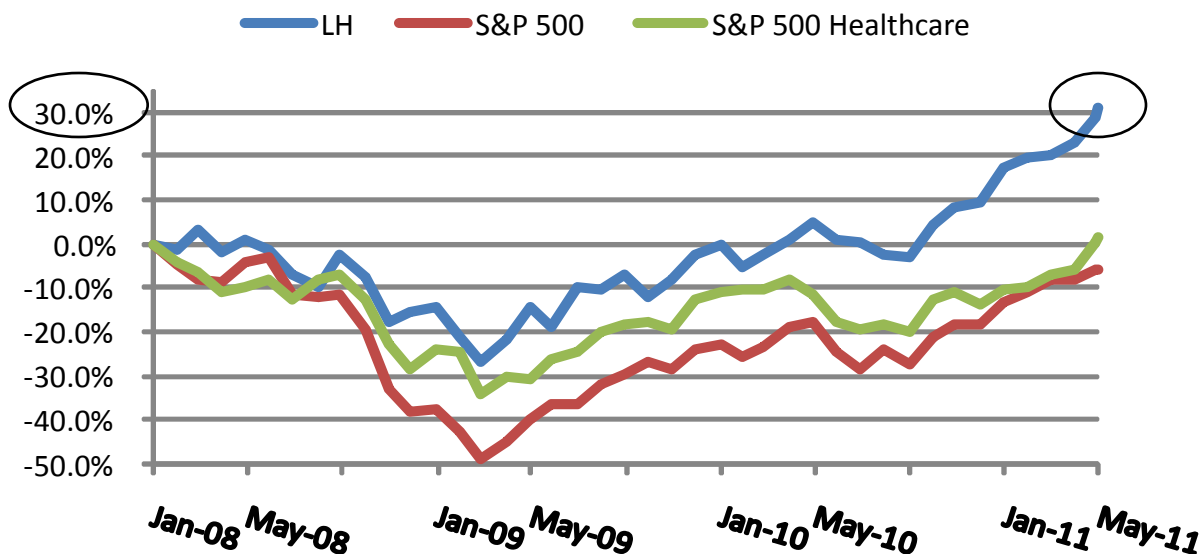
(1) Excluding the impact from Genzyme Genetics, DSO was 43 days in Q4 of 2010 and 45 days in Q1 of 2011

(2) Excluding the impact from Genzyme Genetics, A/R Coverage was 19.9% in Q4 of 2010 and 20.4% in Q1 of 2011

## Superior Three-Year Return

- LabCorp shares up 31.0%
- S&P Healthcare Index up 1.4%
- S&P 500 Index down 5.9%

### Stock Performance: January 2008 - Present



Source: First Call

Note: Period measured is from January 2008 2<sup>nd</sup> – May 2<sup>nd</sup>, 2011

## Key Points

- Critical position in health care delivery system
- Attractive market
- Consistent strategy
  - Excellent cash flow deployed to enhance strong competitive position
  - IT innovation to improve physician and patient experience
  - Most efficient provider delivering greatest value
  - Scientific leadership
  - Alternative delivery models
- Track record of execution and success



